

FLETCHER & SIPPEL LLC

Two Prudential Plaza, Suite 3125
180 North Stetson Avenue
Chicago, Illinois 60601-6721

Thomas J. Litwiler
(312) 540-9440
tlitwiler@fletcher-sippel.com

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2003

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June 25, 2003

Phone: (312) 540-0500
Fax: (312) 540-9098
www.fletcher-sippel.com

DME-22

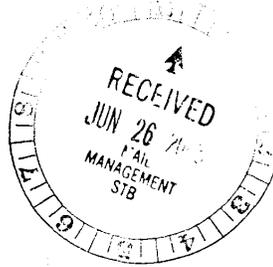
VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

FEDERAL
Office of Proceedings

JUN 25 2003

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Re: **Finance Docket No. 34178 - 208 207**
Dakota, Minnesota & Eastern Railroad Corporation
and Cedar American Rail Holdings, Inc. -- Control --
Iowa, Chicago & Eastern Railroad Corporation

Finance Docket No. 34178 (Sub-No. 1) - 208 208
Dakota, Minnesota & Eastern Railroad Corporation --
Terminal Trackage Rights -- Union Pacific Railroad Company

Dear Secretary Williams:

On March 19, 2003, Dakota, Minnesota & Eastern Railroad Corporation ("DM&E") filed a Petition for Reconsideration and Reopening (DME-13) in the above-captioned proceedings, seeking certain relief with respect to DM&E trackage rights operations over the Union Pacific Railroad Company ("UP") at Owatonna, Minnesota. In Decision No. 9, served April 21, 2003, the Board sought additional information regarding the Owatonna issues raised in the DME-13 petition and in UP's Petition for an Emergency Order (UP-5) filed March 21, 2003.

DM&E and UP have now reached and executed an agreement resolving the issues between the parties with respect to Owatonna. Under the settlement, DM&E will have the unrestricted right to use UP's trackage at Owatonna for handling or interchange of traffic to or from Iowa, Chicago & Eastern Railroad Corporation. Accordingly, DM&E hereby withdraws its DME-13 petition. DM&E understands that UP similarly will seek to withdraw its UP-5 petition, and DM&E has no objection to such withdrawal.

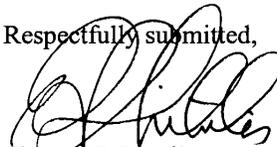
Ten copies of this letter are enclosed for filing at the Board. One extra copy also is enclosed, and I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope.

FLETCHER & SIPPEL LLC

Mr. Vernon A. Williams
June 25, 2003
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If you have any questions regarding this filing, please feel free to contact me.
Thank you for your assistance on this matter.

Respectfully submitted,



Thomas J. Litwiler
Attorney for Dakota, Minnesota & Eastern
Railroad Corporation

TJL:tl

Enclosures

cc: Michael L. Rosenthal, Esq. (via Federal Express)
Parties of record